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IN THE

Supreme Court of the United States

OCTOBER TERM, 1973

NO. 73-643

BOURNS, INC. and MARLAN E. BOURNS,

Petitioners,

v.

**ALLEN-BRADLEY COMPANY,
BECKMAN INSTRUMENTS, INC.,
THE BUNKER-RAMO CORPORATION,
FAIRCHILD CAMERA & INSTRUMENT CORP.,
TRW INC., and
WESTON INSTRUMENTS, INC.,**

Respondents.

BRIEF IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI

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OPPOSERS' RESTATEMENT OF QUESTION PRESENTED

Was the Court of Appeals of the Seventh Circuit correct in applying the collateral estoppel rule retrospectively in the present patent case, as it has uniformly been applied in other Circuits in patent cases, based on the decision by this Court in *Blonder-Tongue Laboratories, Inc.* v. *University of Illinois Foundation*, 402 U.S. 313 (1971)?

STATEMENT OF THE CASE

The Statement of the Case as set forth by Petitioners is generally correct insofar as it relates to facts, with the principal exceptions that (1) there has been no evidence whatever adduced in this case as to why Petitioners dis-

missed their appeal in the Eighth Circuit in the *Dale Electronics, Inc.* case, nor any evidence relating in any way to their reliance on *Triplett* v. *Lowell,* 297 U.S. 638, and (2) Respondents wrongly omit the fact that Defendant Beckman Instruments specifically raised the defense of collateral estoppel in its original Answer, long before *Blonder-Tongue.* It is noted that much of Petitioners' Statement of the Case is merely an advancement of arguments and not facts. Respondents disagree with such arguments.

ARGUMENT

I. The Blonder-Tongue Rule By Its Nature Was Made Retrospective.

This Court clearly indicated the appropriateness of retrospectively applying the collateral estoppel rule in the *Blonder-Tongue* case itself. There the District Court for the Southern District of Iowa ruled the patent invalid and that decision was affirmed by the Court of Appeals for the Eighth Circuit. The University of Illinois Foundation thereafter fully tried a similar suit in the Seventh Circuit against Blonder-Tongue Laboratories, Inc. where validity and infringement were found. This Court thereupon granted certiorari and subsequently returned the case to the Northern District of Illinois to permit Defendant to amend its Answer there to plead for the first time the defense of collateral estoppel and to move for Summary Judgment based thereon. Retrospectivity was clearly implicit in that ruling, in the subsequent grant of Summary Judgment on remand, 334 F. Supp. 47, its affirmance, 465 F. 2d 380, and the denial of certiorari, 93 S.Ct. 559 (1972).

II. There Was No Demonstrated Reliance By Petitioners Upon The Triplett Rule When They Dismissed Their Appeal In Bourns v. Dale.

The Petitioners contend they relied upon *Triplett* v. *Lowell,* 297 U.S. 638 (1936), when they commenced the present suit and dismissed their appeal in *Bourns, Inc. et*

al v. *Dale Electronics, Inc.*, 308 F. Supp. 501 (D. Neb. 1969), which held the patent in suit invalid. They further contend that a retrospective application of principles of collateral estoppel, as adopted in *Blonder-Tongue*, works an unfair hardship upon them in view of such reliance. However, Plaintiffs have never offered any evidence establishing such a reliance. Therefore, the argument, based upon a reliance, collapses, and the Petition should be denied.

No evidence was offered the District Court that Bourns had, in fact, relied upon *Triplett*. On appeal, Justice Clark noted that there was no reliance:

> "*** They suggest that they abandoned the *Dale* appeal in reliance on the *Triplett* rule. It may be that in some situations reliance on *Triplett* should relieve a patentee from the consequences of the *Blonder-Tongue* decision's new collateral estoppel rules. But the circumstances surrounding the *Dale* litigation, particularly the large potential recovery and the time and effort already expended, convince us that appellants would have pursued their appeal regardless of the *Triplett* rule had they held any reasonable expectation of ultimate success. Since appellants abandoned their appeal because they saw no reasonable chance of prevailing *on the merits*, we believe it equitable both as a general matter and specifically under the *Blonder-Tongue* decision to apply the estoppel rule established in that decision." (A-12, 13)

There simply is no evidence in the record, by way of testimony or otherwise, that there was any reliance upon *Triplett* in dismissing the *Dale* appeal. There is only the completely unsupported contention made in Petitioners' briefs. The lack of such evidence is *not* an inadvertence. Respondents have brought attention to the lack in practically every stage of the proceedings.

In fact, Petitioners' dismissal of the *Dale* appeal was clearly predicated on the realization that there most cer-

tainly would be an affirmance, for they had been soundly defeated in the Nebraska District Court. Any realistic opportunity for a reversal would undoubtedly have been pursued, for under the rules of comity existing before *Blonder-Tongue* a decision in *Dale* sustaining patent claims would have matterially enhanced Petitioners present case, as contrasted to the *Dale* unappealed decision invalidating the claims.

There being no demonstrated reliance upon *Triplett* in dismissing the *Dale* appeal, but instead an adverse determination below and circumstances militating against a reliance, the Petition should be denied because a basic premise for Petitioners' argument is lacking.

III. Consideration of the Factors Stated in Chevron Oil, Which are Cited by Petitioners, Do Not Support The Petition.

Page 6 of the Petition quotes factors for considering a possible non-retroactive application of a decision of this Court. The first factor is that there must be a *new principle* of law overruling past precedent, or of first impression whose resolution was not clearly foreshadowed. The principle of collateral estoppel utilized in *Blonder-Tongue* is certainly not new, but rather a well-established one of ever-spreading application. Conversely, the doctrine of mutuality of estoppel, upon which *Triplett* rested, has been under fire and giving way to collateral estoppel principles in many fields of law for many years. It was to be expected that the patent law would be similarly treated, and the demise of *Triplett* could be anticipated. In fact the demise was anticipated by the Respondent Beckman which pleaded such estoppel in its original Answer long before *Blonder-Tongue* was decided. This Court also noted in the *Blonder-Tongue* decision the general erosion in confidence in *Triplett* v. *Lowell,* 402 U.S. 313, p. 318, and footnote 5. Hence, the first factor in Chevron is not satisfied.

The second *Chevron* factor is to weigh the merits in each case as to whether retrospective operation will further or retard operation of the rule in question. Purposes of collateral estoppel, as discussed in *Blonder-Tongue*, include elimination of the expense of litigation of issues already decided following a full and fair opportunity to litigate, elimination of successive litigation of the same issue, elimination of harrassment by a patent holder through repeated litigation, elimination of the pristine character of mutuality of estoppel, ridding court dockets of cases involving already decided matters, and improving economic factors in patent litigation. All these goals are met by applying a collateral estoppel in the present case, wherefore consideration of the second *Chevron* factor is adverse to Petitioners.

The third factor is to weigh the equities between the parties of the instant case. Since Petitioners have had a full and fair opportunity to litigate their patent in the *Dale* case which they brought in a forum they selected there is no inequity in binding them to the decision there. Judge McMillen in the District Court found the equities against Petitioners, stating:

> "*** The equities in this matter militate heavily against the plaintiffs. They have had the benefit of their patent since 1957. They have filed several suits to enforce it, all of which were settled beneficially to the plaintiffs. They elected to file yet another suit in the Nebraska federal court. They left that suit pending for seven years in a jurisdiction which had no backlog. They had ample time for nationwide discovery and taking deposition testimony. They went to trial and lost on the merits after a full and fair hearing. They abandoned their appeal shortly before filing the case at bar in which they hoped, by a class action, to recover damages far in excess of the million dollars or so sought in Nebraska. They had enjoyed the benefits of a patent for almost thirteen years before their come-uppance. In the opinion of this court they had not been treated unfairly by the law." (A-6, 7)

Clearly, none of the factors for limiting retrospective application of the collateral estoppel rule are satisfied.

IV. None of the Considerations for Granting a Review on Certiorari, as Indicated in Rule 19 of this Court, Are Present.

(A). The decision below is not in conflict with any reported patent case. To the contrary, *Blonder-Tongue* has been uniformly applied on a restrospective basis by the U. S. Court of Claims and by every one of the many U. S. Courts of Appeal facing the question, and the present case is completely in step with them. Attention is drawn to the following rulings, in every one of which the collateral estoppel rule was retrospectively applied:

Blumcraft of Pittsburgh v. *Architectural Art Mfg. Co., et al.*, 337 F. Supp. 853 (D. C. Kan. 1972); affirmed at 459 F. 2d 482 (10th Cir. 1972)

Blumcraft of Pittsburgh v. *Kawneer Co., Inc.*, 482 F. 2d 542, 178 USPQ 513 (5th Cir. 1973)

Monsanto v. *Dawson Chemical Co.*, 443 F. 2d 1035 (5th Cir. 1971)

Sampson v. *Ampex Corporation*, 478 F. 2d 339, 178 USPQ 65 (2nd Cir., May 23, 1973) wherein plaintiff, Sampson, abandoned an appeal against a first defendant (RCA) and continued to prosecute Ampex, *Blonder-Tongue* was then decided, and collateral estoppel was applied retrospectively.

Technograph Printed Circuits, v. *Martin-Marietta Corp.*, 474 F. 2d 800 (4th Cir. 1973), Cert. Den. Oct. 9, 1973.

Technograph Printed Circuits, Ltd. v. *Methode Electronics, and Class*, 179 USPQ 206 (7th Cir. Aug. 27, 1973)

Technograph v. *United States*, No. 127-62, U. S. Court of Claims, Oct. 17, 1973, opinion attached as Appendix hereto.

Wahl v. *Vibranetics*, 474 F. 2d 971 (6th Cir. 1973)

(B) The decision below is not in conflict with any decision of this Court. To the contrary, it closely follows and clearly applies *Blonder-Tongue* by investigating and determining whether Respondents had a fair and full opportunity in *Dale* to litigate the issue of patent validity, all within the guidelines discussed in *Blonder-Tongue*.

(C) The decision below does not decide an important question of federal law that has not been, but should be, determined by this Court. Instead, it applies the collateral estoppel doctrine precisely as applied by this Court in *Blonder-Tongue*.

CONCLUSION

Under the circumstances, there is no reason to invoke the time of this Court on the question presented in the Petition.

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APPENDIX

IN THE UNITED STATES COURT OF CLAIMS

No. 127-62

(Decided October 17, 1973)

TECHNOGRAPH PRINTED CIRCUITS, LTD., AND TECHNOGRAPH PRINTED ELECTRONICS, INC. v. THE UNITED STATES

Sidney Bender, attorney of record, for plaintiffs. *Aaron Lewittes, Leventritt Lewittes & Bender*, of counsel.

Michael W. Werth, with whom was *Acting Attorney General Irving Jaffe*, for defendant.

Before COWEN, *Chief Judge*, LARAMORE and DURFEE, *Senior Judges*, DAVIS, SKELTON, and NICHOLS, *Judges*.

OPINION

PER CURIAM: This is a patent suit under 28 U.S.C. § 1498, involving U.S. Patent 2,706,697. After denial of defendant's pre-trial motions for summary judgment (*Technograph Printed Circuits, Ltd.* v. *United States*, 177 Ct. Cl. 919, 370 F. 2d 571 (1966); *id.*, 178 Ct. Cl. 543, 372 F. 2d 969 (1967)), the case went to trial on the issue of validity before former Trial Judge James F. Davis. In a decision filed March 2, 1970 (including opinion, findings and recommended conclusion of law), he concluded that the disputed claims of patent '697 are invalid for obviousness under 35 U.S.C. § 103. 164 U. S. P. Q. 584. Plaintiff excepted to this decision, briefs were filed, and oral argument was had before the court in December 1970.

Before a decision was rendered, the Supreme Court handed down, on May 3, 1971, its ruling in *Blonder-Tongue Laboratories, Inc.* v. *University of Illinois Foundation,* 402 U.S. 313. Very shortly thereafter, we asked for the filing of additional briefs on the applicability of that decision to this case since there had been a previous holding of invalidity with respect to patent '697 in *Technograph Printed Circuits, Ltd.* v. *Bendix Aviation Corp.,* 218 F. Supp. 1 (D. Md. 1963), *aff'd per curiam,* 327 F. 2d 497 (4th Cir.) *cert. denied,* 379 U.S. 826 (1964). Such briefs were filed by both sides.

We have held the case pending decisions in the Fourth and Seventh Circuits (in litigation by plaintiffs against private parties) on precisely the same *Blonder-Tongue* issue with respect to patent '697 and the impact of *Bendix Aviation Corp., supra.* Decisions have now been rendered in both circuits at the trial and appellate levels. These rulings are adverse to plaintiffs, holding that under *Bonder-Tongue* the plaintiffs are estopped by *Bendix* from contesting the validity of the relevant claims of patent '697. In the Fourth Circuit, Judge Watkins so ruled (in March 1972) in the District Court for the District of Maryland. *Technograph Printed Circuits, Ltd.* v. *Martin-Marietta Corp.,* 340 F. Supp. 423. This was affirmed by the Court of Appeals in February 1973. *Technograph Printed Circuits, Ltd.* v. *Martin-Marietta Corp.,* 474 F. 2d 798. In the Seventh Circuit, Judge Will made the same ruling (in May 1972) in the Northern District of Illinois. *Technograph Printed Circuits, Ltd.* v. *Methode Electronics, Inc.,* 194 U.S.P.Q. 297. This decision was recently affirmed (on August 27, 1973) by the Court of Appeals. *Technograph Printed Circuits, Ltd.* v. *Methode Electronics, Inc.,* C.A. 7, Nos. 72-1741, 72-1742, 72-1743, 72-1744, and 72-1745.

We have considered the extensive briefs and written arguments of the parties on the *Blonder-Tongue* question,[1] and the opinions of Judges Watkins and Will and of the Courts of Appeals for the Fourth and Seventh Circuits. We agree fully with the holdings that under *Blonder-Tongue* plaintiffs are estopped by the *Bendix* decision. Plaintiffs make the same arguments before us as were made in the Fourth and Seventh Circuit litigations. There is no need for further briefing or for oral argument, and it would be needless repetition for us to spread out again the persuasive reasons given in the opinions filed in the other courts. On the basis of those opinions, we hold plaintiffs estopped from contesting the invalidity of all the claims of patent '697 which are in issue. It follows that there can be no recovery under patent '697 and the petition with respect thereto is dismissed.

Trial Judge Davis' opinion, in footnote 1, states that at that time there was still in issue another patent, No. 2,662,957, and that the parties had agreed to defer trial on the '957 patent until this court's ruling on patent '697. If plaintiffs still wish to proceed in this court on patent '957, they should so inform the court within thirty (30) days of this date. If such notification is given, the case will be remanded to a trial judge for further appropriate proceedings with respect to patent '957; otherwise the petition will also be dismissed as to that patent.

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[1] After the decision of the Fourth Circuit, plaintiffs filed an additional paper challenging that decision.